



## **THE PARLIAMENT**

**Law No.     /2022**

**Date:**

Since there is a need to establish the legal regime for Non-Profit Organizations in accordance with the country's new reality and the current political, social and economic situation, in conformity with international normative standards on the matter, determining its mechanism and procedures of action that make the right to free association possible to be exercised and to comply with other principles and rights constitutionally established, in the use of the authority conferred by paragraph 1 of Article 178 of the Constitution of the Republic, the Parliament establishes:

### **CHAPTER I**

#### **GENERAL PROVISIONS**

Article 1

**(Purpose)**

This law establishes the legal regime for the creation, organization and operation of Non-Profit Organizations in the Republic of Mozambique.

Article 2

**(Scope)**

1. Non-Profit Organizations may be district, provincial, national and international organizations.
2. This law shall apply to all Non-Profit Organizations, incorporated and established in the national territory and abroad, authorized to exercise public service activity.
3. Public, recreational, cultural, sports, religious associations, foundations, cooperatives and institutes of a public nature are excluded from this law.

Article 3  
**(Definitions)**

Definitions of the terms used are given in the attached glossary, which is an integral part of this law.

Article 4  
**(Legal Framework)**

Non-Profit Organizations are governed by this law and alternatively by the law on the prevention, repression and fight against terrorism and the proliferation of weapons of mass destruction, on money laundering and other applicable law.

Article 5  
**(Classification)**

For the purposes of this law, Non-Profit Organizations incorporated and established on national territory are classified as follows:

- a) National Non-governmental Organizations; and
- b) Foreign Non-Governmental Organizations.

Article 6  
**(Legal Entity)**

1. National Non-Governmental Organizations shall be established and be a legal entity under the terms of this Law.
2. Foreign Non-Governmental Organizations shall be established and be a legal entity in accordance with the law of their country of origin.

Article 7  
**(Legality)**

The establishment of Non-Profit Organizations whose purpose is legally impossible, indeterminable, contrary to the law, public order or social morality is null and void.

**CHAPTER II**

**NATIONAL NON-GOVERNMENTAL ORGANIZATIONS**

SECTION I  
**GUIDING PRINCIPLES**

Article 8  
**(Freedom of Association)**

1. Citizens enjoy freedom of association.
2. Non-Profit Organizations shall have the right to pursue their ends, with a view to achieving their specific objectives and possess assets to carry out their activities, under the terms of the law.
3. Armed non-profit organizations of a military or paramilitary type and those that promote violence, racism, xenophobia or that pursue ends contrary to the law shall be prohibited.

Article 9  
**(Autonomy)**

National Non-Governmental Organizations have administrative, patrimonial and financial autonomy and freely pursue their purposes, in accordance with the general principles of law and the will of the members expressed in the by-laws, and in the deliberations of the governing bodies without interference from any public or private, national or foreign entity, except those resulting from judicial decision and in the cases provided for by this Law.

Article 10  
**(Internal Democracy)**

The principle of internal democracy entails:

- a) equality among members;
- b) eligibility and free revocability of the mandate of the corporate bodies by the collective of the members
- c) compliance with the periodicity of the meetings of the corporate bodies and their respective terms of office
- d) collegial management assured by the members; and
- e) accountability of the elected bodies to the collective of the members.

Article 11  
**(Membership in non-profit organizations and national and foreign bodies)**

Non-Profit Organizations may freely become affiliated to national and international organizations whose purposes are complementary to their own or represent interests common to those of the organizations themselves.

SECTION II  
**CONSTITUTION AND RECOGNITION**

## Article 12

### **(Requirements)**

1. For the constitution of National Non-Governmental Organizations, the following requirements are necessary, cumulatively:
  - a) the existence of a minimum number of 10 members over the age of 18;
  - b) identification document of the associates;
  - c) original minutes of the Constituent Assembly signed by all associates;
  - d) articles of association;
  - e) certificate of the reservation of name; and
  - f) application addressed to the competent entity for recognition with the signatures of the associates.
  
2. For members with foreign nationality, the respective permanent residence permit must be presented.

## Article 13

### **(Articles of association)**

The articles of association must contain the following mandatory statements:

- a) the name;
- b) the scope, headquarters and duration;
- c) the corporate purpose and/or objectives;
- d) the duties and rights of the members, as well as the conditions for their admission and exclusion;
- e) the National Non-Governmental Organizations' governing bodies, their composition, competencies, and functioning;
- f) the method of representation before third parties
- g) the assets and funds;
- g) the election process and incompatibility of positions; and
- h) the terms of extinction and consequent destination of the assets.

## Article 14

### **(Name)**

1. The name must not be confused with sovereign bodies or other legal entities.
2. Provided that it does not offend good customs, the name of the National Non-Governmental Organization may be written in other national languages.
3. The adoption of the name in a foreign language shall only be admitted with the addition of an official translation.
4. The use of common words without adequate translations into the official language or of generalized use shall be an exception to the provisions of the previous number, when:
  - a) it corresponds totally or partially to the names of the associates;
  - b) it constitutes a trademark whose use is legitimate under the respective legal provisions; and
  - c) it results from the fusion of words or part of words belonging to the official languages under this Article, directly related to the activities performed or to be performed, or taken from the other elements of the organization.

## Article 15

### **(Recognition)**

1. The recognition of National Non-Governmental Organizations falls under the competence of the:
  - a) Government, when the activity of the National Non-Governmental Organization extends to the national territory;
  - b) representative of the Government in the province, when the activity of the National Non-Governmental Organization is provincial in scope; and
  - c) the representative of the Government in the District, when the activity of the National Non-governmental Organization is confined to the territory of the District.

2. The act of recognition shall be published in the Government Gazette, as well as the respective bylaws, under penalty of not being effective in relation to third parties.

#### Article 16

##### **(Capacity)**

1. The legal personality granted to a National Non-Governmental Organization confers upon it the capacity to acquire and exercise rights and to contract obligations that correspond to the achievement of its statutory purposes.
2. National Non-Governmental Organizations may acquire or dispose of, by any means, immovable property provided that such property is intended for the pursuit of their statutory purposes.

#### Article 17

##### **(Liability of National Non-Governmental Organizations)**

National Non-Governmental Organizations are civilly liable for the acts or omissions of their representatives, agents or mandataries on the same terms as principals are liable for the acts or omissions of their commissioners.

#### Article 18

##### **(Disregard of legal entity)**

The legal personality of National Non-Governmental Organizations shall be disregarded and members who act intentionally or maliciously in order to use the organization as an instrument of fraud or to harm the interests of the member, the worker, a third party, the State, and the community where it operates shall be held responsible.

### SECTION III

## **ORGANIZATION AND FUNCTIONING OF THE CORPORATE BODIES**

### Article 19

#### **(Governing Bodies)**

1. The governing bodies of the National Non-Governmental Organizations are as follows:
  - a) General Assembly;
  - b) Management body; and
  - c) Supervisory body.
  
2. The body referred to in subparagraph b) of the previous number shall consist of an odd number of members, one of whom shall be the Chairman.
  
3. National Non-Governmental Organizations may have an auditor, who may be an auditing firm, whether or not a member of the organization.
  
4. Until the members of the bodies referred to in paragraph 1 of this Article have been elected, the organization may not commence its activities.

### Article 20

#### **(Representation)**

1. The representation of the National Non-Governmental Organization, in and out of court, shall be the responsibility of whoever the articles of association determine or, in the absence of a statutory provision, the administration or whoever it appoints.
  
2. The appointment of representatives by the administration shall only be enforceable against third parties if it is proven that they were aware of it..

### Article 21

#### **(Obligations of the members of the corporate bodies)**



1. The obligations of the members of the governing bodies of National Non-Governmental Organizations vis-à-vis the latter shall be defined in the respective articles of association, and, in the absence of provisions in the articles of association, the rules of office, with the necessary adaptations and other legislation, shall apply.
2. The members of the corporate bodies may not abstain from voting in deliberations made at meetings that they are present, and shall be liable for losses arising from them, unless they have expressed their disagreement.
3. In case of impediment to one of the members, voting by proxy is admissible, as long as it is duly justified.

#### Article 22

##### **(Competence of the General Assembly)**

1. The General Assembly is responsible for deciding on all matters not included in the legal or statutory attributions of other corporate bodies of the organization.
2. The following are within the competence of the General Assembly:
  - a) dismissal of the members of the organization's corporate bodies
  - b) approval of the balance sheet;
  - c) amendment of the by-laws, de-merger, merger, dissolution of the organization; and
  - d) authorization for the organization to sue the administrators for acts practiced in the exercise of their office.

#### Article 23

##### **(Functioning of the General Assembly)**

1. The General Assembly decides, in first call, with the presence of at least half of its members.

2. Except as provided in the following paragraphs, decisions shall be made by absolute majority vote of the attending members.
3. Resolutions on amending the Articles of Association require the favorable vote of three quarters of the attending members.
4. Decisions on the demerger, merger, dissolution or extension of the National Non-Governmental Organization require the favorable vote of three-fourths of the number of all members.
5. Exceptionally, the articles of association may require a number of votes greater than that fixed in the previous rules.

#### Article 24

##### **(General Assembly's Call)**

1. The General Assembly must be convened by its Chairman in the circumstances established by the articles of association and, in any case, once every year for the approval of the report.
2. The General Assembly shall also be convened whenever requested, for a legitimate purpose, by a number of members not less than one-fifth of its totality, if no other number is established in the articles of association.
3. The provisions of the previous number shall apply if the Chairman of the Board of the General Meeting does not convene the General Meeting in cases in which he should do so.

#### Article 25

##### **(Form of call by the General Assembly)**

1. The General Assembly is convened by letter, fax, or electronic mail, sent to each member at

least eight days in advance, unless the organization's articles of association establish a different period.

2. The General Assembly may be convened by other means deemed expedient, and the convening notice must indicate the day, time, and place of the meeting, and the respective agenda.
3. Any resolutions made on matters not on the agenda shall be null and void, unless all members attend the meeting and agree to the addition.
4. The attendance of all members validates any irregularities in the convening notice, provided that none of them opposes the holding of the General Assembly.

#### Article 26

##### **(Functioning of the management body and the supervisory body)**

1. The management body is convened by the respective representative.
2. The supervisory body, when made up of an odd number of members, shall be convened by the respective representative.
3. Unless otherwise provided by law or the Articles of Association, decisions are taken by majority vote of the attending members, and the representative of the body, in addition to his vote, has the right to a casting vote.

#### Article 27

##### **(Voting disenfranchisement)**

1. A member cannot vote, for himself or as a representative of another, on matters in which there is a conflict of interest between himself and the organization, his spouse, ascendants or descendants.

2. Decisions made in violation of the provisions of the previous number are voidable if the vote of the disqualified member is essential to the existence of the necessary majority.

#### Article 28

##### **(Deliberation contrary to the law or the bylaws)**

1. Resolutions that are contrary to the law are null and void.
2. Resolutions that are contrary to the bylaws, whether due to their object or due to irregularities committed in the convening of members or in the operation of the General Assembly, are voidable.

#### Article 29

##### **(Annulment Regime)**

1. The annulment, foreseen in the previous Article, may be claimed within 180 days, by the administrative body or by any member who did not vote on the deliberation.
2. In the case of a member who was not regularly summoned to the General Assembly meeting, the period only begins to run from the date he/she became aware of the deliberation.

#### Article 30

##### **(Protection of third-party rights)**

The annulment of the Assembly's resolutions does not affect the rights that third parties in good faith have acquired in execution of the annulled resolutions.

#### Article 31

##### **(Personal nature of membership)**

1. Except as otherwise provided in the bylaws, membership is not transferable, whether by act

between living persons or by succession.

2. The member may not instruct others to exercise his or her personal statutory rights, except in cases of voting by proxy.

#### Article 32

##### **(Effects of withdrawal or exclusion)**

The member that by any means ceases to belong to the organization does not have the right to recover the contribution he/she has paid and loses the right to the corporate assets.

#### Article 33

##### **(Proof of pursuit of its purposes)**

1. All National Non-Governmental Organizations shall be considered, as from the entry into force of this law, obliged to prove their good and regular functioning.
2. For the purposes of the preceding paragraph, the organizations shall, in the first quarter of each year, submit an activity report as proof of the pursuit of their purposes, including an accounting of the funds and activities carried out before the entity competent for recognition.
3. Failure to submit the report referred to in the preceding number on two consecutive occasions shall result in the extinction of the National Non-Governmental Organization, under the terms of the provisions of paragraph g) number 2 of Article 36.

#### SECTION IV

#### **VICISSITUDES**

#### Article 34

##### **(Supervening changes)**

1. Amendments to the memorandum and articles of association that imply changes to the organization's objectives, scope, and name shall not take effect until they are approved by the entity competent for recognition.
2. The request referred to in the previous number is accompanied by the following documents:
  - a) bylaws published in the Government Gazette or duly initialed by the competent entity for the recognition and Order of recognition of the National Non-Governmental Organization;
  - b) copy of the minutes of the General Assembly duly convened for the purpose; and
  - c) proposed bylaws with incorporated changes.
3. The application must be submitted by the organization's representative, duly mandated for that purpose.
4. Amendments to the bylaws shall be subject to registration and publication in the Government Gazette, under penalty of not being effective with respect to third parties.

#### Article 35

##### **(Merger and spin-off)**

1. The merger of organizations and their division shall be regulated by the bylaws, and the rules on the matter pertaining to commercial companies shall apply, with the necessary adaptations, to cases not provided for.
2. After the fusion of organizations they shall be renamed Federation and Confederation, followed by the name attributed to them.

#### Article 36

##### **(Causes and extinction)**

1. Recognized National Non-Governmental Organizations shall cease to exist under the terms defined in their respective articles of association or by decision of the entity competent for

recognition.

2. National Non-Governmental Organizations shall also cease to exist:
  - a) by decision of the General Assembly;
  - b) by expiration of the term, if they have been constituted for a defined period of time;
  - c) by the verification of any other extinctive cause foreseen in the memorandum of association or in the articles of association;
  - d) because the pursuit of its purposes has been exhausted or has become impossible;
  - e) by the death or disappearance of all its members;
  - f) by the existence of less than ten of its members for a period exceeding one year; and
  - g) by failing to submit two consecutive activity reports to the entity responsible for recognition.
  
3. In the cases foreseen in paragraphs b), c) and d) of number 1 of this Article, the extinction does not occur if the General Assembly decides for the extension of the duration of the organization or for the modification of the articles of association within thirty days after the date on which the extinction should occur.

#### Article 37

#### **(Declaration of extinction)**

1. The General Assembly must be convened to deliberate on the extension of the organization or the modification of its articles of association, and if the extension or modification is not approved, the National Non-Governmental Organization shall be considered extinct on the date the General Assembly is held.
  
2. It shall be incumbent upon the entity competent for recognition to declare the organization extinct, ex officio or at the request of any interested party.
  
3. The extinction by virtue of the declaration of insolvency occurs as a result of the declaration itself.

Article 38

**(Effects of termination)**

1. Upon termination of the organization, the powers of its bodies shall be limited to the practice of merely conservatory acts and those necessary for the liquidation of corporate assets or the completion of pending business.
2. For the remaining acts and for the damages resulting from them to the organization, the members who perform them shall be jointly and severally liable.
3. For the obligations that the members contract, the organization is only liable to third parties if the members were in good faith and the termination was not given due publicity.
4. Upon termination, the organization must retain for at least 8 years all information concerning the registration of national and international operations, and make these records available to the competent bodies upon request.

Article 39

**(Destination of the goods)**

1. Upon termination of the organization, its assets shall be disposed of in accordance with the bylaws, without prejudice to the provisions of special laws.
2. If any assets have been donated or left to the organization with any charge, they shall be attributed, with the same charge, to another organization with a compatible purpose, by deliberation of the members of the extinct organization.

SECTION V

**FINANCIAL AND TAX REGIME**



Article 40

**(Financial Regime)**

1. The revenues of any organization for the accomplishment of its statutory purposes are those foreseen in the bylaws and decided by the administrative body, namely:
  - a) the registration fees, and ordinary and extraordinary dues approved by the General Assembly;
  - b) the social fund, if any
  - c) donations and special support received for specific purposes from individuals, companies, national or foreign organizations, and the State; and
  - d) the net proceeds from other activities, namely editing and selling publications, social gatherings, festivals, fund-raising campaigns, and other events.
2. In no case can a member claim for him any amount resulting from the activities foreseen in the previous number, unless it is a direct and previously adjusted counter-part of the service or act practiced in favor of the organization.

Article 41

**(Donations)**

1. All regularly established National Non-Governmental Organizations may receive support from third parties, regardless of their aims and territorial scope, in the form of donations.
2. Donations, whether in kind or in foreign currency, shall be given an economic value expressed in Meticaïs.
3. Organizations receiving donations shall not misappropriate the funds received, nor allocate them to other activities, under the penalty of being held civilly and criminally liable, together with their corporate bodies, under the terms of civil and criminal law.
4. Any donations or financial contributions of any kind must be made by bank transfer, under the terms to be regulated.

Article 42

**(Fiscal Regime)**

National Non-Governmental Organizations are required to obtain a Unique Taxpayer Identification Number.

#### Article 43

##### **(Para-Fiscal Regime)**

1. National Non-Governmental Organizations that employ workers acquire the status of employer and are obliged to register with the INSS as soon as this takes place, as well as being subject to the general regime of contributions and dues.
2. Employees of National Non-Governmental Organizations are subject to IRPS for the remuneration they receive, under the terms of the IRPS Code.
3. Such obligation shall be suspended when it is verified that there are no employees at its service.

#### Article 44

##### **(Tax exemptions)**

1. National Non-Governmental Organizations are exempt from Inheritance and Gift Taxes under the Inheritance and Gift Tax Code.
2. National Non-Governmental Organizations of public utility are exempt from Stamp Duty and SISA under the terms of the specific legislation.

### **CHAPTER III**

#### **FOREIGN NON-GOVERNMENTAL ORGANIZATIONS**

##### **SECTION I**

#### **INSCRIPTION, AUTHORIZATION AND REGISTRATION**

Article 45

**(Inscription)**

1. Foreign Non-Governmental Organizations legally established in the country of origin, which intend to carry out activities in national territory, must register with the Government body that oversees the area of international cooperation, by presenting:
  - a) an application addressed to the Minister in charge of international cooperation requesting registration in the Republic of Mozambique
  - b) documents confirming the identity of the beneficial owners;
  - c) a detailed establishment plan, including information on the identity of senior officials
  - d) a detailed staffing table, including information on the identity of senior officials, members of the board of directors or similar, and managers; and
  - e) a detailed budget, the origin and source of financial and patrimonial resources.
2. The other requirements will be subject to regulation.

Article 46

**(Authorization and Registration)**

The authorization and registration of Foreign Non-Governmental Organizations will be subject to specific regulations.

SECTION II  
**OPERATION**

Article 47

**(Beginning of activities)**

Foreign Non-Governmental Organizations shall begin their activities after complying with the formalities foreseen in this law.

## Article 48

### **(Areas of intervention)**

The Foreign Non-Governmental Organizations carry out the activities for which they were established taking into account the local needs of the beneficiary communities and the priorities defined in the Government's Economic and Social Plan in the following areas of intervention:

- a) social welfare and gender, health, nutrition, agriculture, food security and environment
- b) teaching, education, culture, sports, recreation, science and technology
- c) protection, defense of the environment and biodiversity;
- d) social protection
- e) promotion, community and local development
- f) recovery and preservation of heritage;
- g) historical-cultural;
- h) dissemination of information and public awareness, with a view to promoting peace and social well-being;
- i) provision of emergency assistance;
- j) psychological and socio-therapeutic assistance and social reinsertion of vulnerable groups;
- k) socio-professional training and integration; and
- l) other activities allowed under current legislation.

## Article 49

### **(Change of intervention area or location)**

1. Foreign Non-Governmental Organizations may, in accordance with the provisions of their articles of association, change the area of intervention or the location of the implementation of the program or project, upon duly justified reason.
2. For the purposes of the provisions of paragraph 1 of this Article, this shall be expressed by means of a request addressed to the competent Government body, attaching the following documents:

- a) opinion from the governing body of the new area of intervention as the case may be;
- b) opinion of the representative body of the State at the provincial level or district level, where the implementation of the activity of the Foreign Non-Governmental Organization is planned as the case may be;
- c) detailed report of the activities carried out during the implementation of the program or project; and
- d) budget implementation report for the period of execution of the program or project.

#### Article 50

#### **(Partnership and Cooperation)**

Foreign Non-Governmental Organizations should establish strategic partnerships with National Non-Governmental Organizations and develop synergies with other Foreign Non-Governmental Organizations that operate in the same area of intervention or in the same place, without prejudice to the objective pursued by each of them.

### SECTION III

#### **RIGHTS AND DUTIES**

#### Article 51

#### **(Rights)**

Without prejudice to the enjoyment of other prerogatives specifically provided for in other legislation, Foreign Non-Governmental Organizations shall enjoy the following rights:

- a) carry out their activities, provided they are authorized to do so; and
- b) obtain answers on petitions formulated to the bodies of public administration.

#### Article 52

#### **(Duties)**

1. Without prejudice to other duties prescribed by law, Foreign Non-Governmental Organizations shall:
  - a) respect the Constitution of the Republic of Mozambique and other legislation in force;
  - b) abstain from involvement in or the practice of activities directly or indirectly linked to money laundering, influence peddling and the financing of terrorism, as well as obtaining benefits of illicit origin;
  - c) identify the people or entities from whom they receive or supply funds or resources free of charge, and these records must be made available to the Ministry that oversees international cooperation, the Mozambique Financial Intelligence Office and the judicial authorities
  - d) participate in the implementation of socio-economic programs defined and approved by the Government
  - e) to implement the programs or projects duly approved and aligned with the policies of the sectors covered
  - f) promote appropriate procedures to ensure the suitability of its corporate bodies and other persons responsible for their management;
  - g) register its national and international transactions
  - h) adopt risk-based procedures to ensure that the activities actually undertaken and the manner in which the funds are used accord with the object and purpose of the organization
  - i) obtain and verify information about the identity of the people or entities that give them or receive from them funds free of charge, whenever the donations are equal or superior to 100.000,00 Meticaís
  - j) submit quarterly, semi-annual and annual reports, during and at the end of the programs or projects
  - k) open a bank account in the Republic of Mozambique in compliance with the rules provided for in the national public finance management systems, for the deposit of funds intended for the programs or projects
  - l) acquire the goods and equipment necessary for the projects on the domestic market, with the possibility of resorting to importation only and exclusively when it is proven that such

goods and equipment do not exist on national territory, in accordance with the legislation in force

- m) account in the budget for all programs or projects, indirect donations made by the Mozambican State, namely with tax and fee exemptions, tax benefits and all benefits inherent to the execution of programs or projects
  - n) send to the competent Government bodies, by 31 March of each year, the annual report of accounts for the previous year and forecasts of internal and external donations to be received in the current year
  - o) establish partnerships, enter into contracts for the acquisition of goods and the provision of services with individuals or legal entities, using public tendering whenever this is required by law or special regime
  - p) preserve and respect the traditional customs and habits of the environment in which they operate;
  - q) promote the education, civic and technical-professional training of its members, workers, collaborators and beneficiaries of its actions and other obligations foreseen in the applicable legislation
  - r) punctually fulfill the fiscal, social security, labor income tax, civil responsibility and labor accident insurance obligations, and contractual obligations, relative to the payment of house rents, equipment rental, circulating goods, consumer goods and public services;
  - s) submit to the competent Government body, by 31 October of each year, all the projects subject to implementation in the following year, including their detailed budgets, for planning purposes.
  - t) keep, for a period of eight years, the records of national and international operations in sufficient detail, as well as the identity of the persons who own, control or direct its activities, namely senior officials, members of the board of directors and trustees; and
  - u) The information referred to in the preceding paragraph shall be made available to the relevant government bodies and to the public.
2. The Foreign Non-Governmental Organization shall maintain up-to-date information on the identity of its beneficial owners and other persons who control or direct such activities, including its governing bodies and other persons responsible for management.

3. The detailed budgets referred to in paragraph 1(j) of these Articles shall contain information on the origin and source or sources of funding, in accordance with Article 6 of this Law.
4. Failure to comply with the provisions of this Article shall constitute grounds for suspending the activities of the Foreign Non-Governmental Organization involved, or prohibiting it from operating in the national territory.
5. The reports referred to in paragraph 1(j) of this Article shall be submitted by the Foreign Non-Governmental Organizations to the following bodies:
  - a) quarterly report, to the representative body of the State at the district level where the program or project is implemented;
  - b) biannual report, to the representative body of the State at provincial level with a copy to the representative body of the State at district level; and
  - c) audited annual report, to the competent bodies of government, with copies to the bodies of representation of the State at provincial level and at district level.
6. The reports referred to in paragraph 5 of this Article shall contain, among other information, annexes concerning:
  - a) financial operation that includes a detailed breakdown of its revenues and expenditures;
  - b) list of imported and internally purchased goods;
  - c) action plan for the following year; and
  - d) evaluation of the partnerships established.
7. The annual financial statements foreseen in paragraph a) of the previous number must be published.

SECTION IV  
**SERVICES AND BENEFITS**



Article 53  
**(Accounting)**

The Foreign Non-Governmental Organizations must observe in the processing of the accounting and financial information the procedures foreseen in the legislation in force on the matter.

ARTICLE 54  
**(Assets)**

1. The assets of Foreign Non-Governmental Organizations shall comprise the values and rights that they hold, the goods and equipment acquired with their own funds, and those resulting from the encumbrance of donated goods, but with the written consent of the donor.
2. For the purposes of the preceding paragraph, assets and equipment acquired without recourse to donation or for the exclusive use of the Foreign Non-Governmental Organizations shall constitute their own assets.

ARTICLE 55  
**(Disposal of Assets)**

1. Whenever the Foreign Non-Governmental Organizations have projects in progress or completed, they may sell or donate to public entities or to other Non-Governmental Organizations, the material goods or equipment acquired with their own funds, within the scope of said programs or projects.
2. The alienation of goods from donations from abroad depends on the prior authorization of the competent Government bodies.

3. Goods and equipment acquired or imported with funds donated to the beneficiary communities may not be returned or sold, but shall be handed over to the representative bodies of the State of the area in which the program or project is implemented, when the activities of the foreign Non-Governmental Organizations end.

SECTION V  
**SUSPENSION AND EXTINCTION**

Article 56  
**(Suspension of activities)**

1. Failure to comply with the duties referred to in Article 51 of this law shall constitute grounds for the suspension of the activities of the Foreign Non-Governmental Organization in the Republic of Mozambique.
2. The activities of Foreign Non-Governmental Organizations may be suspended whenever there are indications that illicit acts have been committed or acts that are prejudicial to the sovereignty and integrity of the Republic of Mozambique.
3. For the purposes of the preceding paragraph, any individual or legal person or entity may lodge a complaint with the competent institutions.
4. Whenever there is suspicion or sufficient reasons to suspect that an operation likely to constitute the commission of the crime of money laundering or financing of terrorism has taken place, is in progress or has been attempted, through the mechanisms of coordination, monitoring and evaluation, the competent entities, the central body responsible for the supervision of the program or project, the State representation bodies at provincial or district level and the financial institutions shall, on their own initiative, inform the following institutions:
  - a) Bank of Mozambique;
  - b) Mozambique Financial Information Office; and

c) the Public Prosecution Service.

5. For the purposes of paragraph 4 of this Article, the non-disclosure of the identity or source of information, under the terms of the legislation in force, is safeguarded.

#### Article 57

#### **(Termination of activities)**

1. The activities of Foreign Non-Governmental Organizations shall cease:
  - a) by decision of its country of origin
  - b) by a court decision declaring the termination of its activities; and
  - c) by the end of the program or project cycle.
  
2. The activities of the Foreign Non-Governmental Organizations may also be terminated by decision of the Council of Ministers, provided the following conditions are met:
  - a) involvement in the execution or financing of activities of political parties or unions;
  - b) carrying out activities that may cause damage to national security, public order, public morals or public health, or that may induce discrimination, hatred or commotion; and
  - c) any other causes that are contrary to the Constitution of the Republic of Mozambique and other legislation in force in the country.
  
3. In cases where criminal evidence is found it is up to the Public Prosecutor's Office to bring the appropriate criminal action.

#### SECTION VI

#### **STAFF REGULATIONS**

#### Article 58

#### **(National Workers)**

1. The recruitment and hiring of employees carried out by Foreign Non-Governmental Organizations shall be governed by the Labor Law in force in the Republic of Mozambique.
2. The Foreign Non-Governmental Organizations shall respect the social security legislation, when applicable, in force in the Republic of Mozambique.
3. The basic remuneration and other supplements to be attributed to national employees shall not be inferior to that attributed to foreign employees with the same function and qualification, with the exception of supplements and allowances legally intended for foreign employees.
4. Foreign Non-Governmental Organizations authorized to carry out activities under this law shall give preference to the employment of local human resources, to their training and improvement.

#### Article 59

#### **(Foreign Workers)**

1. The recruitment and hiring of foreign workers, whether resident or not, for the performance of the activities of the Foreign Non-Governmental Organizations shall be governed by the regulations for the hiring of foreign labor, in force in the Republic of Mozambique.
2. The Foreign Non-Governmental Organizations shall forward the process of hiring foreign workers to the competent Government bodies.

#### Article 60

#### **(Entry, stay and exit of foreigners)**

Employees of Foreign Non-Governmental Organizations travelling to the Republic of Mozambique on an aid, emergency or humanitarian aid mission, or for consultancy purposes, are granted a visa, in accordance with the legislation in force that regulates the legal regime applicable to foreign citizens, regarding entry, stay and exit from the country.

Article 61  
**(Visa Extension)**

For the extension of visas, the legislation in force applies, which establishes the legal regime applicable to foreign citizens, regarding their entry, stay and exit from the country, rights, duties and guarantees.

SECTION VII  
**CUSTOMS AND TAX REGIME**

Article 62  
**(Customs and tax obligations)**

Import and export of goods and merchandise, the baggage and personal belongings of foreign technicians temporarily residing in Mozambique, as well as family members accompanying and cohabiting with them, and the Foreign Non-Governmental Organizations themselves are subject to the customs and tax regime in force in the Republic of Mozambique.

ARTICLE 63  
**(Tax regime)**

The Foreign Non-Governmental Organizations are subject to the provisions of the tax legislation in force and other applicable legislation.

**CHAPTER IV**  
**PUBLIC INTEREST**

Article 64  
**(Declaration of Public Service of Non-Profit Organizations)**

1. Non-Profit Organizations may request a declaration of public interest provided that they pursue aims of public or community interest, cooperating with the Public Administration in the provision of services at central or local level, and present all the evidence necessary for the adjudication of their claim.
2. The declaration shall constitute a discretionary administrative act by the Administration, and its deferral or refusal shall always be justified.
3. The declaration of public interest shall only be granted after five years of activity.

#### Article 65

#### **(Competence for declaration of public interest)**

1. The competent entity for the recognition of the National Non-Governmental Organization is responsible for the declaration of public interest.
2. The declaration of public interest shall be published in the Government Gazette and subject to registration.

#### Article 66

#### **(Duties of Non-Profit Organizations with Public Interest Status)**

Non-profit organizations with public benefit status must:

- a) annually send to the competent Government body and to the Administrative Court the report of accounts for the ended fiscal year;
- b) provide information, every six months, to the entity competent to grant the declaration of public interest; and
- c) be subject to the supervision and audit of the competent Government body and the Administrative Court.

#### Article 67

### **(Effects of the Declaration of Public Interest)**

The public interest status grants its holders tax exemptions, under the terms established in this law and in specific legislation.

#### Article 68

### **(Termination of the effects of declaration of public interest)**

1. The declaration of public interest and the inherent exemptions and benefits cease in the following cases:
  - a) with the dissolution of the non-profit organization; and
  - b) by decision of the entity competent for the declaration, if any of the conditions set forth in this Article are not met.
2. The decision by the competent authority to terminate the declaration of public interest shall be subject to administrative appeal, under the terms of the law.
3. Non-profit organizations that have lost their public benefit status may reacquire it whenever they meet the legal requirements for its granting, but not before three years have elapsed since the loss of such status provided that they meet the legal requirements for such.

## **CHAPTER V**

### **COORDINATION, MONITORING AND EVALUATION MECHANISMS**

#### Article 69

### **(Sources and origin of funding)**

1. At the beginning of their activities, Non-Profit Organizations must prove to the Government the origin and source or sources of their funding.

2. The source or sources of funding of Non-Profit Organizations, for the pursuit of their programs or projects, may come from an individual or legal entity, provided that they are not involved or under investigation, or have already been convicted in the national territory or country of origin, or have not yet been convicted in the Republic of Mozambique or abroad, for the commission of crimes or underlying actions, namely:
  - a) money laundering;
  - b) financing of terrorism and financing of the proliferation of weapons of mass destruction;
  - c) tax evasion;
  - d) terrorism
  - e) mercenaries;
  - f) trafficking in narcotic drugs and psychotropic substances;
  - g) racial, ethnic or religious discrimination
  - h) trafficking in human beings;
  - i) sexual exploitation of women and children;
  - j) smuggling of migrants;
  - k) incitement to violence or use of force to overthrow democratically established powers;
  - l) influence peddling and corruption; and
  - m) other activities contrary to the principles of the Constitution of the Republic of Mozambique and other applicable legislation, including the principles of the international conventions to which the country is a signatory.
  
3. Failure to comply with the provisions of the previous number shall constitute grounds for suspension of the Non-Profit Organization's activity, without prejudice to civil or criminal liability under the terms of the applicable legislation.

#### ARTICLE 70

#### **(Coordination)**



1. The activities of Non-Profit Organizations shall be ensured through coordination mechanisms between Government bodies.
2. The competent authorities shall investigate and collect information on Non-Profit Organizations, namely through:
  - a) national cooperation, coordination and exchange of relevant information on non-profit organizations;
  - b) full and immediate access to information concerning the administration and management of non-profit organizations; and
  - c) immediate sharing of relevant information among competent authorities so that preventive measures can be taken or investigations initiated when there are suspicions or reasonable grounds for suspicion that a domestic or foreign Non-Governmental Organization serves as a front for raising funds for a terrorist organization or is used as a means of terrorist financing.

#### Article 71

#### **(Monitoring and evaluation)**

1. The monitoring and evaluation of Non-Profit Organization programs or projects shall be carried out at the central level by the Ministers who superintend the areas of Justice and International Cooperation and by the body responsible for the program or project, and at the local level by the State representative body at the provincial or district level where the program or project is implemented.
2. The monitoring and evaluation of Non-Profit Organization activities is done through periodic reports, auditing of accounts, and visits to the places where the programs or projects are implemented.
3. It is the responsibility of the Government to define the criteria and parameters for the follow-up, monitoring and evaluation of Non-Profit Organization programs or projects.

Article 72  
**(Sectoral risk assessment)**

1. Without prejudice to the provisions of the legislation on preventing, suppressing and combating terrorism and the proliferation of weapons of mass destruction, the legislation on money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction, the ministries overseeing the areas of Justice and International Cooperation shall conduct risk assessments of the Non-Profit Organization sector.
  
2. Without prejudice to the provisions of the legislation on preventing and combating money laundering, financing of terrorism and financing of the proliferation of weapons of mass destruction, Non-Profit Organizations shall adopt appropriate measures to identify, assess, understand and mitigate the risks to which they are exposed.

**CHAPTER VI**

**FINAL AND TRANSITORY PROVISIONS**

Article 73  
**(Payment of fees)**

It is up to the Government to set the fees inherent to the registration, authorization, enrollment and other acts performed by Non-Profit Organizations operating in the national territory.

Article 74  
**(Transitional Provisions)**

1. Non-Profit Organizations shall conform their provisions to the terms of this law within 180 days, counting from the entry into force, regardless of previous registrations.
2. The Non-Profit Organizations that do not comply with the provisions of the previous number, their activities shall be terminated under the terms of number 1 of Article 36 and number 1 of Article 56 of this law, respectively.

Article 75

**(Regulation)**

The Government is responsible for regulating this Law within 180 days after it comes into effect.

Article 76

**(Revoking Rule)**

Law no. 8/91 of 18 July and Decree no. 55/ 98 of 13 October and all provisions that contradict this Law are hereby revoked.

Article 77

**(Effective date)**

This law comes into effect 180 days from the date of its publication.

Approved by the Parliament, on ..... 2022.

The Speaker, Esperança Laurinda Francisco Nhiuane Bias.

Promulgated on \_\_\_\_\_ 2022

It is published.

The President of the Republic, *Filipe Jacinto Nyusi*.

## GLOSSARY

For the purposes of the provisions of this law:

- a) **Association** - a collective entity under private law that does not seek economic profit from its associates as a result of the exercise of its activities, characterized by the voluntary grouping of individuals or collective entities that aims at the accomplishment and achievement of common objectives and is recognized under the terms of this law.
- b) **Public Interest Status** - is recognized to organizations that pursue public interest purposes, that cooperate with the Public Administration in the provision of services at central or local level, recognized in the terms of this law.
- c) **Federation** - a union of at least five associations pursuing similar objectives.
- d) **Confederation** - the union of at least three federations.
- e) **Appropriate authorities** - refers to competent authorities, including accredited institutions and self-regulatory organizations.
- f) **Beneficial owner** - refers to the natural person(s) who ultimately owns or has ultimate control of a customer and/or the natural person on whose behalf a transaction is conducted. It also includes the persons who effectively control a legal person or unincorporated entity.
- g) **Non-profit organization** - refers to a natural or legal person or organization that is primarily engaged in raising or distributing funds for charitable, religious, cultural, educational, social or fraternal purposes, or for the development of other types of “good works”.
- h) **International Cooperation** - a joint effort undertaken by countries for the purpose of the purpose of promoting economic and social development in a sustainable and lasting way.
- i) **National Non-Governmental Organizations** - are collective persons of private law, of public interest, legally incorporated in the national territory, by natural or legal persons, without profit motives. They may be non-profit associations, federations, and confederations under private law.
- j) **Foreign Non-Governmental Organizations** - are legal persons of private law, of

public interest, legally incorporated outside the national territory, by individuals or legal entities, without profit-making purposes. They may be associations, foundations, and other private non-profit institutions.

- k) **Central Guardianship Body** - governmental institutions, namely ministries and other state administration bodies, public teaching institutions, public and state-owned companies that superintend the main activity to be exercised by the foreign NGO in the national territory.
- l) **Program or Project** - intervention constituted by a planned set of related activities, with a budget and within a certain time frame, prepared in order to reach a defined objective.